

Charities that had operated successful vehicle donation programs, either independently or through third-party fundraisers, have been hit hard. Those unable to cover overhead costs have eliminated vehicle donation programs and resolved to forego the resulting revenue stream. It appears that no charities have initiated or expanded vehicle donation programs over the past two years.

Contrary to reassurances offered during the congressional debate, the tax law changes constituted a classic example of the baby being thrown out with the bathwater. This overreach has had serious ramifications for social services provided by non-profit groups across the country. Modest tax incentives are critical to sustaining charitable contributions, including in-kind gifts. The decline in vehicle donations since 2004 could be addressed by minor legislative refinements that would also address potential abuses and buttress IRS enforcement.

Following are the text and technical analysis of my proposed legislation, which I view as a starting point for new congressional debate on this important issue.

A bill to amend the Internal Revenue Code of 1986 to promote charitable donations of qualified vehicles.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF QUALIFIED VEHICLE DONATIONS.

(a) **IN GENERAL.**—Paragraph 12 of subsection (f) of section 170 of title 26 (relating to disallowance of deduction in certain cases and special rules), as amended by this Act, is amended to read as follows:

“(12) **CONTRIBUTIONS OF USED MOTOR VEHICLES, BOATS, AND AIRPLANES.**—

“(A) **IN GENERAL.**—In the case of a contribution of a qualified vehicle paragraph (8) shall not apply and no deduction shall be allowed under subsection (a) for such contribution unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgement of the contribution by the donee organization that meets the requirements of subparagraph (B) and includes the acknowledgement with the taxpayer’s return of tax which includes the deduction.

“(B) **CONTENT OF ACKNOWLEDGEMENT.**—An acknowledgement meets the requirements of this subparagraph if it includes the following information:

“(i) The name and taxpayer identification number of the donor.

“(ii) The vehicle identification number or similar number.

“(iii) In the case of a qualified vehicle that is not sold by the organization

“(I) a certification of the intended use or material improvement of the vehicle and the intended duration of such use, and

“(II) a certification that the vehicle would not be transferred in exchange for money, other property, or services before completion of such use or improvement, and

“(iv) In the case of any qualified vehicle the claimed value of which does not exceed \$2500—

“(I) the fair market value of the vehicle as determined in accordance with regulations prescribed by the Secretary,

“(II) a statement that the deductible amount may not exceed the fair market value of the vehicle, and

“(III) if the organization sells the vehicle without any significant intervening use or material improvement a certification that the vehicle was sold in an arm’s length transaction between unrelated parties.

“(v) In the case of any qualified vehicle the claimed value of which exceeds \$2500—

“(I) a qualified appraisal as defined in (E) of paragraph (11) of this section,

“(II) a statement that the deductible amount may not exceed the appraised value of the vehicle, and

“(III) if the organization sells the vehicle without any significant intervening use or material improvement a certification that the vehicle was sold in an arm’s length transaction between unrelated parties.

“(C) **CONTEMPORANEOUS.**—For purposes of subparagraph (A), an acknowledgement shall be considered to be contemporaneous if the donee organization provides it within 30 days of the contribution of the qualified vehicle.

“(D) **INFORMATION TO SECRETARY.**—A donee organization required to provide an acknowledgement under this paragraph shall provide to the Secretary the information contained in the acknowledgement. Such information shall be provided at such time and in such manner as the Secretary may prescribe.

“(E) **QUALIFIED VEHICLE.**—For purposes of this paragraph, the term ‘qualified vehicle’ means any—

“(i) motor vehicle manufactured primarily for use on public streets, roads, and highways,

“(ii) boat, or

“(iii) airplane.

Such term shall not include any property which is described in section 1221(a)(1).

“(F) **REGULATIONS OR OTHER GUIDANCE.**—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this paragraph.”

(b) **PENALTY FOR FRAUDULENT ACKNOWLEDGMENTS.**—

(1) **IN GENERAL.**—Part I of subchapter B of chapter 68 (relating to assessable penalties), as amended by this Act, is amended by inserting after section 6719 the following new section:

“**SEC. 6720. FRAUDULENT ACKNOWLEDGMENTS WITH RESPECT TO DONATIONS OF MOTOR VEHICLES, BOATS, AND AIRPLANES.**

“Any donee organization required under section 170(f)(12)(A) to furnish a contemporaneous written acknowledgment to a donor which knowingly furnishes a false or fraudulent acknowledgment, or which knowingly fails to furnish such acknowledgment in the manner, at the time, and showing the information required under section 170(f)(12), or regulations prescribed thereunder, shall for each such act, or for each such failure, be subject to a penalty equal to—

“(1) the product of the highest rate of tax specified in section 1 and the claimed value of the vehicle, or

“(2) \$5,000.”

(2) **CONFORMING AMENDMENT.**—The table of sections for part I of subchapter B of chapter 68, as amended by this Act, is amended by inserting after the item relating to section 6719 the following new item:

“**Sec. 6720. Fraudulent acknowledgments with respect to donations of motor vehicles, boats, and airplanes.**”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to contributions made after December 31, 2006.

IN HONOR OF JOHN TSUKASA
TANIMURA

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. FARR. Madam Speaker, I rise today to honor the passing of a great American that you may have never heard of. John Tsukasa

Tanimura, known to all as Johnny, recently passed away at the age of eighty-eight. He was a farmer's farmer. As one of the founders of the Tanimura & Antle produce company, he helped build it into the nation's largest private lettuce producer. So while you may have never heard of Johnny Tanimura, I can guarantee that every member of this House has eaten something that Johnny and his family grew. As an integral part of the Salinas Valley's agricultural and cultural fabric, he will be missed tremendously. However, the legacy that he planted and nurtured will produce a crop for generations to come.

Born November 21, 1920 in San Juan Bautista, California to Ejiro Kimoto and Yukino Tanimura, he was the sixth of 13 children in a farming family. Johnny graduated from Salinas High School and served in the Army as a guard in Germany, while his family was interned in Poston, Arizona, during World War II.

After relocating to Gilroy, Johnny along with his siblings rebuilt their living in the farming business with harvesting jobs. Through hard work, Johnny, his brothers and their families commenced a farming enterprise that grew from the seeds of love, respect and cooperation. The Tanimura family created ties with Bud Antle and his family in 1948, and the two families jointly established the formation of Tanimura & Antle in 1982, a successful and dynamic family farming enterprise in the Salinas Valley.

His dedication to the lettuce farming was tireless, as he worked throughout his life without ever retiring. He and his brothers were an ever present sight in their ubiquitous white pickup inspecting and tending to their various ranches up and down the Salinas Valley. Even when he was unable to get around without a walker or wheelchair, he had someone take him into the fields multiple days a week to make sure the farming went smoothly.

He is survived by his wife, Sakako (Sachi); daughters Jeannie, Susan and June Tanimura; grandchildren Brian Cobb and Jennifer Caro; great grandchildren Desiree and Mateo Caro, Draven Cobb, Jake Esqueda and MacKenzie Wright; brothers and sisters-in-law, George and Masaye Tanimura, and Tommy and Hisako Tanimura; sister-in-law, Fumiko Tanimura, wife of his late brother Charles (Charlie); and sisters Alice Sato, Rose Yuki and Betty Furisho.

Madam Speaker, Johnny Tanimura's life was filled with impactful accomplishments. He leaves behind a footprint on the agricultural business of the Salinas Valley through hard work and a loving and dedicated heart, and touched the lives of those around him. I am certain I speak for the entire House when I extend our heartfelt sympathy to his family, friends and colleagues.

PERSONAL EXPLANATION

HON. LYNN A. WESTMORELAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 2009

Mr. WESTMORELAND. Madam Speaker, on May 4, 2009 I stayed at home due to an ongoing medical condition. As a result, I missed two votes. Had I been present, I would have voted the following: